

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 28, 1995

SUBJECT: **SB 1132 - HB 907**

This bill, if enacted, will declare a state policy that patients have the freedom of choice to select a health care provider. The bill requires all health care policies and plans to allow policy holders to choose any health care professional or provider if the insured party agrees to participate in payment of the insurer's approved charge at an amount not to exceed 20% of that approved charge and the insurer shall participate in payment in an amount not to exceed 80% of the approved charge. A plan may exclude any health care professional that does not accept the plan's payment schedule, represents an undue risk of medical malpractice, based on objective standards as determined and promulgated by the Commissioner of Commerce and Insurance, after notice and comment to insured persons in the plan, or who has been deemed by a federal or state agency to have defrauded other insurance plans. The act exempts self-insured or self-funded company plans. Section 7 (c) excludes persons covered by the state and federal Medicaid and Medicare programs. **We are interpreting this section to also**

exclude the TennCare waiver program from the provisions of this bill.

The fiscal impact of this bill as written, if enacted, is estimated to be minimal.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized "J" and "D".

James A. Davenport, Executive Director